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EXAMINER	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)
	10/815,093	AGGARWAL, MANOJ K.
	Examiner	Art Unit
	JOHN D. SCARITO	4172

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *31 March 2004*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-25* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-25* is/are rejected.

7)☒ Claim(s) *4,7,10,12-20 and 22* is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☒ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date *03/31/2004*.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

DETAILED ACTION

Specification

The disclosure is objected to because of the following informalities:

1. On page 3, lines 10-18, Applicant describes FIFO and LIFO. Examiner suspects that Applicant mixed up the acronyms in his/her disclosure. FIFO uses the oldest unit cost while LIFO uses the most recent unit cost.
2. On page 20, line 23, Applicant states “two items”. Examiner suspects that five items was intended since inventory transaction 212 purchased 10 items (lines 4-5) and inventory transaction 214 sold 5 items (line 14).
3. On page 22, line 4, Applicant states “first amount 230" in lieu of “first amount 223".
4. On page 25, Applicant's Eq. 1 and/or example mathematics are flawed. Forty plus the quantity fifty minus seventy does not equal five. Using perpetual average inventory valuation, the January 4th purchase transaction should be added to the January 1st purchase for a total of $140 for 15 items. This would then satisfy the January 5th sale of $140/15 * 5 items which should have been recorded as $46.66 in lieu of $50. With 10 items remaining, the January 7th sale of 7 items should have been recorded as $140/15 * 7 items, or $65.33. What should have been posted (e.g. $112) minus the first amount that was actually posted (e.g. $120) is a negative $8.00 difference. As such, a debit of $8.00 to the inventory account and a credit of $8.00 to the COGS account would fix the

problem. Examiner is also concerned that Applicant's equation contains (x-y) when y equals (x-in stock quantity). As such, "x" would fall out of the equation.

5. On page 26, line 2, Applicant states "three items" in lieu of "two items". Examiner suggests that Applicant re-check his/her specification for consistency.
6. On page 26, Examiner is concerned about Eq. 2. Following the logic discussed above using perpetual average inventory evaluation, the January 4th purchase transaction of 1 item should be added to the January 1st purchase for a total of $108 for 11 items. This would then satisfy the January 5th sale of $108/11 * 5 items which should have been recorded as $49.09 in lieu of $50. With 6 items remaining, a deficit of 1 remains. Without further purchase transactions, one must assume, not unlike transaction 222, that the rate will remain the same. As such, the January 7th sale of 7 items should have been recorded as $108/11 * 7 items, or $68.72. What should have been posted (e.g. $117.81) minus the first amount that was actually posted (e.g. $120) is a negative $2.19. As such, a debit of $2.19 to the inventory account and a credit of $2.19 to the COGS account would fix the problem. Examiner suspects that $2.19 is more accurate than Applicant's $2.00 adjustment using the equation.

Appropriate correction is required.

Claim Objections

Claims 4, 7, 10, 12-19, 20 & 22 are objected to because of the following informalities.

1. As per Claim 4 & 7, said claims contain an extra parenthetical which raises ambiguity.
2. As per Claims 7 & 17, since "y" is not in the equation, Examiner suggests that Applicant clarify that "y" is merely a condition of the formulas use. Further, Examiner suggests that Applicant be consistent by stating “the first quantity (x)”
3. As per Claims 10 & 20, Examiner suggests that Applicant state “further including” to better highlight the additional step.
4. As per Claim 12, step (c), Examiner suggests that Applicant not reference a parenthetical. (e.g. “sold items”). For clarity, Applicant could state “sold items" in step (a) while maintaining antecedent basis for "items".
5. As per Claim 22, “the original inventory transaction” lacks clear antecedent basis as Applicant identifies only the "posting".
6. As per Claims 12-19, said claims are objected to under 37 CFR 1.75 as being a substantial duplicates of Claims 2-9 respectively. When two claims in an application are duplicates or else are so close in content that they both cover the same thing, despite a slight difference in wording, it is proper after allowing one claim to object to the other as being a substantial duplicate of the allowed claim. See MPEP § 706.03(k). Here, Examiner notes that Claim 12 is merely a combination and rearrangement of the phraseology of Claim 2. The fact that step (a) is lacking a first amount is irrelevant given that transactions inherently are

associated with amounts. This is the point of accounting. Lastly, one of skill in the art would follow the claims' deductive reasoning that amounts/values correspond/depend upon the rates. As such, a change in the amount/value would follow from a change in the rate. (e.g. as a result of the inventory purchase transaction {claim 1 step (b), claim 12 step (c)}, the first rate changed {due to second rate}, thus the first amount changed {change in value for the sold items or inventory *sales* transaction}, which necessitates an adjustment of its value).

Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1, 2, 4, 7, 10, 12, 14, 17, 20 & 22 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As per Claim 1, Applicant refers to “a first rate for items in inventory” in step (a), followed by “the first rate of the inventory sales transaction” in step (b). Examiner is unclear whether “a first rate” is related to any items in inventory or only to items subject to a sales transaction. Particularly, the “for items in inventory” phrase is confusing. Examiner is unclear whether an “item” is being considered or multiple “items”.

As per Claim 2, Applicant refers to “the items of an inventory” which already holds antecedent basis through “items in inventory” of Claim 1’s step (a), if Applicant intended “items in inventory” to refer only to inventory subject to “inventory sales transaction.” Further, Examiner questions whether one of skill in the art would interpret “a second rate (r)” to be referencing "a change in the first rate" of Claim 1's step (b). Lastly, "the items” at a second rate lacks antecedent basis. Applicant should clarify to what “items” he/she is referring.

As per Claim 4, 7, 14 & 17, Examiner questions whether one of ordinary skill in the art would know what is meant by “calculated…substantially”. See MPEP 2173.05(b). Formulas have definite results.

As per Claims 10 & 20, Examiner questions whether "the date" refers to "a second transaction date" or "the first transaction date" as both dates are referenced in step (b). Examiner will assume for purposes of examination that Applicant intended "a second transaction date."

As per Claim 12, Applicant states "the items" in step (b). Examiner is unclear whether "the items" are the same items of step (a) or whether the items are different items or combinations of items. Particularly, Applicant's use of "items" as opposed to "item" raises ambiguity. Consider "a first quantity (x) of an item" and "a second quantity (p) of the item". Claim 2 has this similar problem (above).

As per Claim 22, "the original amount" lacks antecedent basis. For purposes of Examination, Examiner will assume that Applicant intended "the first amount".

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1, 2, 10, 12 & 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Combination A**: Marks (5,117,356) in view of Umapathy (10/570,055) [Pub. No.: 2007/0011014].

<u>As per Claim 1</u>, Marks ('356) teaches the method as follows:

A method of maintaining a general ledger [column 4, line 41, "general ledger file"] in a computerized [] accounting system [column 3, lines 57-59, "a computer implemented recordkeeping system for use in connection with a double-entry bookkeeping or accounting system"].

a) posting [a] transaction having a first transaction date and a first amount [column 6, line 41, "actual date of the activity" & column 6, line 26, "money amount" & column 6, line 46, "posted"]

d) posting a corrective transaction to the general ledger having the adjustment value. Here, Marks ('356) teaches that "manual bookkeeping systems [effected] changes or revisions…through the posting of correcting entries." [column 2, lines 1-4] Previously posted transactions rendered erroneous are remedied via corrective measures and are necessary under accounting principles for accuracy of the ledgers.

However, Marks ('356) does not specifically disclose:

[an] *inventory* accounting system Nevertheless, Umapathy ('055) confirms that accounting systems also record events related to "inventory accounting" [see paragraph 4]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include a computerized "inventory" accounting system. One would have been motivated to do so given that "inventory" is an important business asset as well as the knowledge of "pieces manufactured or bought, number sold, number remaining, etc." [paragraph 4].

utilizing a perpetual average inventory valuation Nevertheless, Applicant admits that amongst perpetual inventory accounting systems, "[t]here are three typical valuation methods...[including] average cost methods." [see Applicant's Background of the Invention, page 3, lines 8-11 & 18-22]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include perpetual average inventory valuation. One would have been motivated to do so given that "it is necessary to determine a value for sold items in order to record the proper amount for the transaction in the COGS account." [see Applicant's Background of the Invention, page 3, lines 2-4]. One of skill in the art would appreciate that accuracy in accounting is imperative.

a) posting an inventory sales transaction…a first amount that corresponds to a first rate for items in inventory; Nevertheless, Umapathy ('055) discloses that "physical assets [in inventory accounting] are reduced…to a common denominator of a currency" that "reflects the totality in dollar [value] terms" when "[goods] are sold" [paragraph 5]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention,

to modify Marks ('356) to include the posting of an amount that reflects the cumulative current rate for the items. One would have been motivated to do so given that when a quantity of items is sold a certain "worth [of] goods sold" is evident. [paragraph 5]. Further, this practice is common in known cost accounting methods.

b) posting an inventory purchase transaction having a second transaction date, which is before the first transaction date, to the general ledger after the posting step a) that results in a change in the first rate of the inventory sales transaction; Here, Examiner notes that Applicant is claiming a specific accounting instance when "valuation changes to the inventory [] necessitate changes to inventory sales transactions that have already been posted" [see Applicant's Background of the Invention, page 3, lines 28-30]. Further, Applicant admits that such a situation will arise when "posting [] a purchase transaction to the general ledger [] dated prior to [an already] posted sales transaction." [see Applicant's Background of the Invention, page 4, lines 5-7]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include the possible later posting of a purchase transaction with a transaction date prior to an earlier sales transaction. One would have been motivated to do so given that (1) "inventory accounting [includes] pieces...bought" [paragraph 4] and (2) "transactions [may involve] a time lag for the information" leading to "one party [taking] into account the effect of [an] event while the other would not have". [Umapathy ('055), paragraph 18]. Further, Marks (356) discloses posting transactions which specify actual activity dates. [see above].

c) calculating an adjustment value corresponding to a change in a the first amount due to the change in the first rate; Nevertheless, Umapathy ('055) teaches that information lag can result in an "apparent discrepancy...which needs to be reconciled" [paragraphs 18-19]. In this vein,

Applicant admits that the "average cost method" is calculated as "the total cost of all goods divided by the number in stock [at that time]" [see Applicant's Background of the Invention, page 3, lines 21-22]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include calculation of an adjustment value (to account for a discrepancy) by assessing the change of a first rate and a first amount in accordance with the average cost method. One would be motivated to do so given that an earlier in time purchase transaction was not considered in the valuation of an already posted sales transaction. As such, the posted sales transaction amount is in error by the changed amount (e.g. the adjustment value).

<u>As per Claim 2</u>, Marks ('356) as modified teaches the method of Claim 1 above. However, Marks ('356) does not specifically disclose the inventory sales transaction includes a sale of a first quantity (x) of the items of an inventory at the first rate (w); and the inventory purchase transaction includes a purchase of a second quantity (p) of the items at a second rate (r). Regardless, Umapathy ('055) teaches the tenet that "all events are recorded in value terms" [paragraph 5]. Further, "accounting records the number of pieces" of inventory "bought [or] sold" [paragraph 4]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include a sale of a first quantity of inventory items at a first rate and the purchase of a second quantity of items at a second rate. One would have been motivated to do so given that each "physical item [has an individual] dollar value term" [paragraph 5].

<u>As per Claim 10</u>, Marks ('356) as modified teaches the method of Claim 1 above. However, Marks ('356) does not specifically disclose posting a system date to the general ledger

corresponding to the date of the posting of the inventory purchase transaction to the general ledger. Regardless, Marks (‘356) does disclose "stor[ing] the date when the ledger records...were posted and updated by the system". As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include the posting of a system date to the ledger when a purchase transaction is added. One would have been motivated to do so because, under accounting principles, transactions should be associated with the time period in which they took place. System posting dates are also commonly utilized to trace entries made in the system.

As per Claim 12, said Claim is rejected under the same logic of Claim 2 above. Applicant is advised to see Claim 12’s duplicate claim objection above.

As per Claim 20, Marks (‘356) as modified teaches the method of Claim 12. Although Claim 12 includes the limitations of both Claims 1 & 2 (in lieu of just Claim 1 limitations as in Claim 10), it would regardless have been an obvious variant to include a system date when posting purchase transactions under the same logic of Claim 10 above.

Claims 3-9, 11, 13-19 & 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Combination A in view of Official Notice.

As per Claim 3, Marks (‘356) as modified teaches the method of Claim 2 above. However, Marks ('356) does not specifically disclose the first quantity (x) is greater than an in-stock quantity of the items when the inventory sales transaction was posted to the general ledger. Here, Official Notice is taken that it is old and well established that in-stock quantities are

commonly lower than the quantity of items sold in a sales transaction. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include the possibility of in-stock quantities of an item being less than a first quantity of the item being sold at the time of sale. One would have been motivated to do so given the reality of backordering and the principles of supply and demand in the business world.

As per Claim 4, Marks ('356) as modified teaches the method of Claim 3 above. However, Marks ('356) does not specifically disclose the adjustment value is calculated in the calculating step c) substantially in accordance with the following equation: [Adjustment Value = (y*r) + ((x-y) * w) - (x*w)] wherein y represents an out-of-stock quantity of the item as equal to the first quantity (x) minus the in- stock quantity of the item as identified in the general ledger when the inventory sales transaction was posted, and the second quantity (p) is greater than the out-of-stock quantity (y). Regardless, under the logic of Claim 1 above, it would have been obvious to calculate the necessary adjustment value (e.g. corrective entry amount) utilizing an "average cost method" [see Applicant's Background of the Invention, page 3, lines 21-22] at the time of the posting of the purchase transaction. One would be motivated to do so given that an earlier in time purchase transaction was not considered in the valuation of an already posted sales transaction. Here, Examiner notes that Applicant's reduction of the "average cost method" to an equation to be applied (e.g. when the second quantity (p) is greater than the out-of-stock quantity (y)) does not make the calculation nonobvious. The result is (or should be) the same.

As per Claim 5, Marks ('356) as modified teaches the method of Claim 4 above. However, Marks ('356) does not specifically disclose the adjustment value is positive, the

posting step d) includes: crediting an inventory account of the general ledger with the adjustment value; and debiting a Cost Of Goods Sold (COGS) account with the adjustment value. Regardless, Marks does disclose revising accounts via "correcting entries" [column 2, line 3]. Further, Applicant admits that “valid accounting transactions consist of a debit component and a credit component.” [Applicant’s Background of the Invention, page 2, lines 6-7]. In this vein, Marks (‘356) teaches “recordkeeping procedures [and] accounting controls” [column 2, lines 41-45] which define “how new records are to be created…whether a money amount is to be posted as a debit or a credit…and other rules for ledger account maintenance” [column 2, lines 51-57]. Lastly, Official Notice is taken that it is old and well established that when an inventory account is debited/credited that a COGS account (e.g. expense account) is respectively credited/debited. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant’s invention, to modify Marks (‘356) to include the crediting of an inventory account and the debiting of a COGS account when a positive adjustment value is calculated. One would have been motivated to do so because a positive adjustment value indicates that the valuation amount previously recorded in a sales transaction is erroneous and undervalued. Further, accountants desire the “traceability of all entries and postings” while maintaining “procedures to authorize and control the creation and updating of the ledger account and transaction record data files.” [Marks ('356), Abstract].

As per Claim 6, Marks (‘356) as modified teaches the method of Claim 4 above. However, Marks ('356) does not specifically disclose the adjustment value is negative, the posting step d) includes: debiting an inventory account of the general ledger with the adjustment value; and crediting a Cost Of Goods Sold (COGS) account with the adjustment value. Regardless, under the

logic of Claim 5 above, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include the debiting of an inventory account and the crediting of a COGS account when a negative adjustment value is calculated. One would have been motivated to do so because a negative adjustment value indicates that the valuation amount previously recorded in a sales transaction is erroneous and overvalued. Further, accountants desire the "traceability of all entries and postings" while maintaining "procedures to authorize and control the creation and updating of the ledger account and transaction record data files." [Marks ('356), Abstract].

<u>As per Claim 7</u>, Marks ('356) as modified teaches the method of Claim 3 above. However, Marks ('356) does not specifically disclose the adjustment value is calculated in the calculating step c) substantially in accordance with the following equation: [Adjustment value = (p*r) + ((x-p) * w) - (x*w)] wherein y represents an out-of-stock quantity that is equal to the first quantity minus the in-stock quantity of the item as identified in the general ledger when the inventory sales transaction was posted, and the second quantity (p) is less than the out-of-stock quantity (y). Regardless, not unlike Claim 4 above, it would have been obvious to calculate the necessary adjustment value (e.g. corrective entry amount) utilizing an "average cost method" [see Applicant's Background of the Invention, page 3, lines 21-22] at the time of the posting of the purchase transaction. One would be motivated to do so given that an earlier in time purchase transaction was not considered in the valuation of an already posted sales transaction. Here, Examiner notes that Applicant's reduction of the "average cost method" to an equation to be applied (e.g. when the second quantity (p) is less than the

out-of-stock quantity (y)) does not make the calculation nonobvious. The result is (or should be) the same.

As per Claims 8 and 9, Marks ('356) as modified teaches the method of Claim 7 above. Further, said Claims are rejected under the logic of Claims 5 & 6 respectively.

As per Claim 11, Marks ('356) as modified teaches the method of Claim 1 above. However, Marks ('356) does not specifically disclose [a] computer-readable medium having stored thereon executable instructions to perform the steps of the method of claim 1. Regardless, Marks ('356) does disclose its system as being "computer implemented" [column 3, line 57] which inherently includes a computer readable medium for said computer to execute that invention's function. Nevertheless, Official Notice is taken that it is well established that executable instructions can be recorded on a computer-readable medium to permit the functionality of a programmed method to be realized. See MPEP 2106.01. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include a computer readable medium with executable instructions to perform the method of Claim 1. One would have been motivated to do so given the efficiency of computers and the avoidance of possible ledger entry errors.

As per Claims 13-19, said Claims are rejected under the same logic as respective Claims 3-9 above. Applicant is advised to see the Claim 13-19 duplicate claim objections above.

As per Claim 21, Marks ('356) as modified teaches the method of Claim 12. Although Claim 12 includes the limitations of both Claims 1 & 2 (in lieu of just Claim 1 limitations as in Claim 11), it would regardless have been an obvious variant to include a computer

readable medium with executable instructions to perform the method of Claim 12 under the same logic of Claim 11 above.

Claim 22 is rejected under 35 U.S.C. 103(a) as being unpatentable over **Combination B**: Combination A in view of Non-Patent Literature document entitled “In the Black: Real Accounting, Real Easy--Really?" (hereinafter Black) and Hoffman et al (09/997,716) [Pub. No. 2002/0111891].

As per Claim 22, Marks (‘356) teaches the method as follows:

a computerized [] accounting system [column 3, lines 57-59, "a computer implemented recordkeeping system for use in connection with a double-entry bookkeeping or accounting system"] having a general ledger [column 4, line 41, “general ledger file”]

a method of editing the original transaction posting [column 2, line 3, "correcting entries"]

However, Marks (‘356) does not specifically disclose:

[an] *inventory* accounting system Nevertheless, Umapathy (’055) confirms that accounting systems also record events related to "inventory accounting" [see paragraph 4]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include a computerized "inventory" accounting system. One would have been motivated to do so given that "inventory" is an important business asset as well as the knowledge of “pieces manufactured or bought, number sold, number remaining, etc.” [paragraph 4].

containing an original inventory transaction posting of a first amount corresponding to a sale or purchase of a first quantity of items at a first rate Regardless, Marks (‘356) does disclose the posting of

transactions with amounts [see column 6, line 26, “money amount” & column 6, line 46, “posted"]. Nevertheless, Umapathy (‘055) teaches “inventory accounting” and the recording/posting of the number of pieces "bought" or "sold". [see paragraph 4]. Further, Umapathy ('055) teaches that “all events are recorded in value terms with an accepted currency as a base” and the “reduction of every physical item into dollar value terms”. [see paragraph 5]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include the posting of an original inventory transaction with a first amount corresponding to sales/purchases of a quantity of items at a first rate. One would have been motivated to do so given that inventory items have to be reduced to amounts for “Financial Accounting” purposes. [paragraph 5].

a) posting a nullifying inventory transaction having the original amount to the general ledger such that it nullifies the original inventory transaction posting; Regardless, Marks ('356) does disclose the "posting of correcting entries" with concern for the erasure or deletion of the original entry. [see column 2, lines 4-6]. Nevertheless, Black teaches "adjusting and reversing entries" while maintaining an “audit trail” [page 9, last paragraph] while following GAAP double-entry accounting [page 9, first paragraph]. In this vein, Hoffman et al (‘716) teaches “updating the balances when a change occurs to any historical data" [paragraph 43] and that if "an error or change occurs" for example by:

> "projected rates [being] replaced by actual rates), all journal entries generated from the point in time that a change was made or an error occurred until the point in time the change was discovered or the error was corrected must be deleted from the journal entry system, and the deleted journal entries for each of those days must be regenerated." [paragraph 44].

Here, Examiner notes that although Hoffman et al (‘716) discloses deleting the entries, Marks (‘356) stresses the importance of having a “separate, correction entry”. [column 2, line 6]. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant’s invention, to modify Marks to include the posting of a nullifying transaction (e.g. reversing entry or corrective entry equal to the whole amount). One would have been motivated to do so given that a recorded transaction is in error and must be fixed either by adding a new entry or deleting the entry altogether. Marks (‘356) supports adding new entries.

b) posting a new inventory transaction to the general ledger having a second amount that is different from the first amount, whereby the new inventory transaction posting corresponds to a modified version of the original inventory transaction. Regardless, Marks ('356) does disclose the posting of a “separate correction entry". [column 2, line 6]. Here, Examiner notes that the correcting entry would logically be a modified, different amount, otherwise the correction is not required. Nevertheless, Hoffman et al ('716) teaches the "generation of new journal entries for a specific set of account balances...a ledger" [paragraph 52] and the "calculations of new journal entries from previously posted journal entries...and balance updating". As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include the posting of a new inventory transaction with an amount different from the prior amount, but based on the prior transaction. One would be motivated to do so given that an error exists in the ledger and the simplest way, under Marks ('356) is to add a "separate, correction entry".

Claims 23-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Combination B in view of Official Notice.

As per Claim 23, Marks (‘356) as modified teaches the method of Claim 22 above. However, Marks ('356) does not specifically disclose the general ledger includes an inventory account and a Cost Of Goods Sold (COGS) account. Regardless, Official Notice is taken that an inventory account as well as a COGS account are both old and well established options for use in accounting general ledgers. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant’s invention, to modify Marks ('356) to include a general ledger with an inventory account and a COGS account. One would have been motivated to do so given that these categories are important in financial statements (e.g. balance sheets and income statements) and must be tracked.

As per Claims 24 & 25, Marks ('356) as modified teaches the method of Claim 23 above. However, Marks (‘356) does not specifically disclose the original transaction posting is (a sale/ a purchase) of items and the original transaction posting includes (a credit/ a debit) of the first amount to the inventory account and (a debit/ a credit) of the first amount to the COGS account; and the nullifying inventory transaction posting includes (a debit/ a credit) of the first amount to the inventory account and (a credit/ a debit) of the first amount to the COGS account. Regardless, Applicant admits that “valid accounting transactions consist of a debit component and a credit component where the absolute value of the debit component is equal to the absolute value of the credit component.” [Applicant’s Background of the Invention, page 2, lines 6-7]. Further, Umapathy (‘055) teaches that “every business event (e.g. inventory ‘bought’ or ‘sold’) gives raise to a set of debit and credit entries matching in value terms. [paragraph 8]. Lastly, Examiner notes that not unlike Claim 22, a nullifying transaction would merely,

in result, reverse a previous transaction. As such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include the matching of debits and credits in original postings and the nullifying of those postings by oppositely matching debits and credits. One would have been motivated to do so given that a recorded transaction is in error and must be fixed either by making the previous transaction moot (e.g. nullifying transaction) or deleting the old transaction and adding a new entry. Marks (‘356), as well as GAAP supports adding new entries.

Prior Art

The following prior art, made of record but not relied upon, is considered pertinent to applicant's disclosure: Applicant submitted Non-Patent Literature document entitled “Skating into Double-Entry Accounting" and Macalka et al (10/648,504) [Pub. No.: 2007/0179872].

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to John D. Scarito whose telephone number is (571) 270-3448. The examiner can normally be reached on M-Th (7:00-4:30), Alternate F (7:00-3:30).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tom Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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